

**FCC CHAIRMAN GENACHOWSKI, SENATOR LAUTENBERG, AND LEADING NEW JERSEY
ACADEMIC INSTITUTIONS ANNOUNCE NEW APPS CHALLENGE, APPS ECONOMY
LEGISLATION AND A NEW JERSEY STARTUP INCUBATOR AT A ROUNDTABLE
WITH LEADERS FROM THE PUBLIC AND PRIVATE SECTORS TO DISCUSS WAYS TO
CAPITALIZE ON APPS ECONOMY INNOVATION**

In partnership with Stevens Institute of Technology, Rutgers University, and the New Jersey Institute of Technology (NJIT), FCC Chairman Julius Genachowski and Senator Frank Lautenberg announced the “New Jersey Apps Challenge” for students and entrepreneurs to showcase how the booming apps economy can help New Jersey. Sen. Lautenberg also announced new legislation to help researchers attract investment and President Nariman Farvardin of Stevens Institute of Technology announced plans for a technology incubator hub. Following the announcement, Lautenberg and Genachowski led a discussion on how the public and private sectors can work together to create jobs and catalyze growth in New Jersey’s mobile apps economy.

New Jersey Apps Challenge: Leading New Jersey academic institutions unveiled a competition to showcase the booming mobile apps marketplace; winner meets Co-Founder and CEO of FourSquare.

- With this challenge, universities and local champions seek to encourage and facilitate the development of mobile software applications, or “apps,” by connecting startups, academics, private equity firms, and local government to accelerate the development of a local apps economy.
- The competition is open to students, faculty and recent alumni affiliated with NJIT, Rutgers, or Stevens Institute of Technology.
- An overall winner, as well as winners from each University, will be selected by a panel of judges. The prize for the overall winner is dinner with Dennis Crowley, Co-Founder and CEO of FourSquare; the prize for top app from each university is lunch with their university’s President.

The America Innovates Act: Senator Lautenberg announced that he will introduce new legislation that will spur the growth of high tech jobs and train scientists to turn their discoveries into new products. This bill:

- **Establishes an “American Innovation Bank”** to provide universities, researchers, and private companies with the resources necessary to turn discoveries into products that will attract private investment and create jobs. The American Innovation Bank will leverage federal investments in science into new products, companies, and jobs.
- **Provides industry training for graduate students in science.** The bill expands existing fellowship programs so that students can perform research in local companies and provides federally-supported graduate students with industry-related training, including the importance of patenting and commercializing discoveries. The bill supports the development of new curricula that train science graduate students for careers in industry.

Roundtable Discussion on Catalyzing the Apps Economy: Sen. Lautenberg and Chairman Genachowski led a discussion on how the right combination of talent, skills, and capital could advance the culture of innovation in New Jersey.

- Participants included Mayor Dawn Zimmer of Hoboken, leadership from the Stevens Institute of Technology, the New Jersey Institute of Technology (NJIT) and Rutgers University, Dr. Michael Mandel from the Progressive Policy Institute, and representatives from established tech companies, private equity firms, and tech startups including DFJ Gotham, GCA Savvian, Avenue Capital Group, Foros Group, Alcatel-Lucent Bell Labs, Vonage, Bleacher League, SpeechTrans, Knewton, Inkling, Kno Inc., Boxee, and Hello Fax.
- Participants represented different components of the mobile apps ecosystem: mobile apps entrepreneurs, venture capital firms, academia, and local government. They discussed how New Jersey can become an innovation cluster for mobile apps. Specifically, the participations discussed the key ingredients of a cluster economy:
 - A supportive regulatory environment for the creation of mobile app-based business.
 - Private capital and human capital, including what venture capital firms were looking for in a business model or idea.

- University encouragement of the specific talents and skills needed to develop app-based companies.
 - Strong mentorship and networks linking entrepreneurs to professional services and capital.
 - Broadband connectivity and infrastructure.
- The Stevens Institute of Technology will prepare a report on today's discussion based on the group's ideas about the components of a vibrant apps economic cluster in New Jersey:

“Where the Jobs Are: The App Economy”: Dr. Michael Mandel of the Progressive Policy Institute presented a summary of his study on the apps economy and job creation.

- The apps economy has created 466,000 new jobs since the introduction of the iPhone in 2007
- The apps economy generated almost \$20 billion in revenue in 2011
- The number of employees working for third party developers of Facebook apps is 53,434
- Apple's App Store has 529,550 active apps as of December 12, 2011, uploaded by 124,475 active publishers
- A conservative estimate of the employment impact of developers building apps using the Facebook platform is 182,744 jobs in 2011

Development of a Mobile Apps Technology Hub Incubator: Dr. Nariman Farvardin committed to work with stakeholders to develop a technology startup hub affiliated with Stevens Institute of Technology.

- Start-up incubators help to build a support network between growing start-ups, provide mentorship and guidance on how to compete in the technology market, assist with operating costs, and create sustainable job growth in their community.
- Stevens Institute of Technology is working with local authorities, entrepreneurs, and investors to build an incubator for start-ups to turn Hoboken into a technology hub, and plans to engage entrepreneurs and investors through an advisory board.

THE APPS ECONOMY AS ECONOMIC DRIVER AND OPPORTUNITY FOR NEW JERSEY

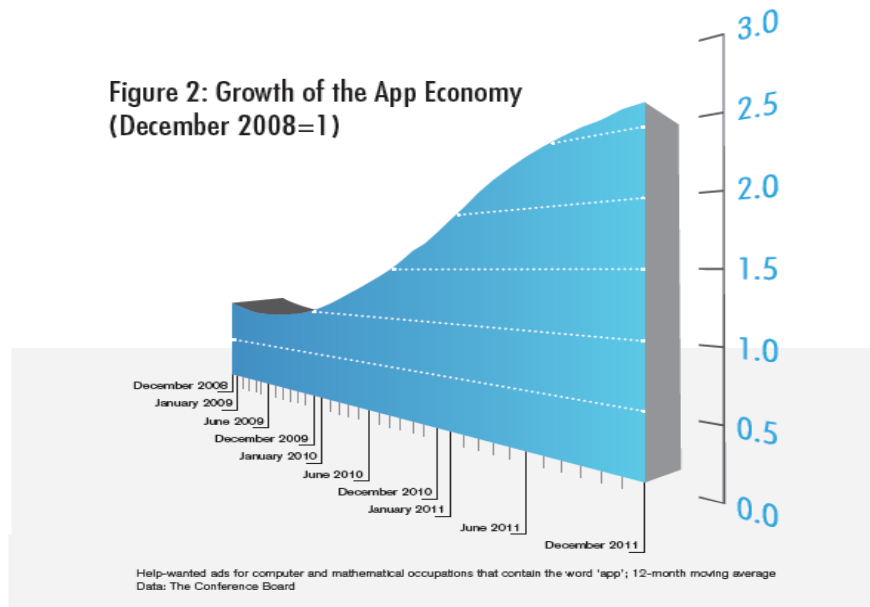
New Jersey has historically been a center for innovation, and is already seizing the opportunity of the new apps economy:

- New Jersey has been the home of Thomas Edison, who had some 1,093 patents to his name, and Bell Labs, one of the most innovative and ambitious companies in the United States:
<http://www.nytimes.com/2012/02/26/opinion/Sunday/innovation-and-the-bell-labs-miracle.html>.
- Senator Lautenberg started the nation's first payroll services company in New Jersey, Automatic Data Processing, which he developed into one of the largest computing services company in the world.
- Kaufman Foundation ranked New Jersey #1 for broadband communications and the #2 state for information technology jobs in its 2011 state-by-state index. CNN named New Jersey the fastest growing state for solar energy development in 2011.
- The New York-Northern New Jersey-Long Island metro area is number one for mobile app-related job growth, containing 9.2 percent of apps economy jobs as of December 2011. New Jersey alone is home to 4.2 percent of apps economy jobs.
- New Jersey is ranked the #5 state in concentration of mobile app jobs, after California, New York, Washington, and Texas

Broadband – and the apps economy – is an enduring engine of growth:

- Broadband is our innovation infrastructure, enabling collaboration and boosting productivity, and supporting the efficient flow of ideas and knowledge.
 - The U.S. remains the dominant player in the global broadband economy:
 - The U.S. captures 30% of all Internet revenue worldwide and more than 40% of net income.
 - The U.S. completed the transition to digital TV before other countries.
- The U.S. has the highest number of 3G subscribers and are ahead of the world in deploying 4G networks
- In the U.S., consumers are projected to purchase 26.5 million tablets. More than 30% of doctors have already adopted tablets.

- The “apps economy” is projected to generate \$4 billion in sales in 2011, \$38 billion by 2015.
- Cloud computing is generating \$60 billion annually in sales in North America.
- Investment in wireless networks was up 20% in 2010 and venture capital investment in start-ups is at its highest levels since 2001.
- The tech sector is the most profitable part of the U.S. economy. Tech companies in the S&P 500 are projected to earn 18% of the index’s total earnings – more than any other sector.



Full report available at: <http://www.technet.org/wp-content/uploads/2012/02/TechNet-App-Economy-Jobs-Study.pdf>